

.....
(Original Signature of Member)

107TH CONGRESS
1ST SESSION

H. R. _____

IN THE HOUSE OF REPRESENTATIVES

Mr. BILIRAKIS (for himself, Mr. BROWN of Ohio, Mr. TAUZIN, and Mr. DINGELL) introduced the following bill; which was referred to the Committee on _____

A BILL

To amend title XVIII of the Social Security Act to specify the update for payments under the medicare physician fee schedule for 2002 and to direct the Medicare Payment Advisory Commission to conduct a study on replacing the use of the sustainable growth rate as a factor in determining such update in subsequent years.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Medicare Physician
3 Payment Fairness Act of 2001”.

4 **SEC. 2. SPECIFICATION OF THE UPDATE FOR PAYMENTS**
5 **UNDER THE MEDICARE PHYSICIAN FEE**
6 **SCHEDULE FOR 2002.**

7 (a) IN GENERAL.—Section 1848(d) of the Social Se-
8 curity Act (42 U.S.C. 1395w-4(d)) is amended by adding
9 at the end the following new paragraph:

10 “(5) CONVERSION FACTOR FOR 2002.—

11 “(A) IN GENERAL.—Notwithstanding the
12 update otherwise determined under paragraph
13 (4) for 2002, the conversion factor established
14 under this subsection for 2002 shall be 0.9 per-
15 cent less than the conversion factor established
16 under this subsection for 2001.

17 “(B) NO EFFECT FOR SUBSEQUENT PERI-
18 ODS.—The conversion factor under paragraph
19 (1) and the update adjustment factor under
20 paragraph (4)(B) for a year after 2002 shall be
21 applied and computed as if subparagraph (A)
22 had not been in effect.

23 “(C) CONFORMING PROVISIONS TO EN-
24 SURE NO EFFECT FOR SUBSEQUENT PERI-
25 ODS.—In carrying out subparagraph (B):

1 “(i) NO EFFECT ON TARGET FOR AL-
2 LOWED EXPENDITURES.—The allowed ex-
3 penditures under paragraph (4)(C)(iii) for
4 years after 2002 shall be applied and com-
5 puted as if subparagraph (A) had not been
6 in effect.

7 “(ii) REMOVAL OF ADDITIONAL EX-
8 PENDITURES FROM ACTUAL EXPENDI-
9 TURES.—In applying paragraph (4)(B) for
10 years beginning with 2003, the actual ex-
11 penditures for 2002 shall be the actual ex-
12 penditures otherwise determined multiplied
13 by the ratio of (I) the amount of the con-
14 version factor that would have applied for
15 2002 under this subsection but for this
16 paragraph, to (II) the amount of the con-
17 version factor that is applied for 2002
18 under this paragraph.

19 “(iii) NOT TREATED AS CHANGE IN
20 LAW AND REGULATION IN SUSTAINABLE
21 GROWTH RATE DETERMINATION.—The en-
22 actment of this paragraph shall not be
23 treated as a change in law for purposes of
24 applying subsection (f)(2)(D).”.

1 (b) CONFORMING AMENDMENTS.—Section 1848(d)
2 of the such Act (42 U.S.C. 1395w–4(d)) is amended—

3 (1) in paragraph (1)(A), by inserting “and sub-
4 ject to paragraph (5)” after “with 2001”;

5 (2) in paragraph (4)(A), by inserting “(includ-
6 ing paragraph (5))” after “Unless otherwise pro-
7 vided by law”;

8 (3) in paragraph (4)(B), by inserting “and sub-
9 paragraphs (B) and (C) of paragraph (5)” after
10 “subparagraph (D)” in the matter preceding clause
11 (i); and

12 (4) in paragraph (4)(C)(iii), by striking “The
13 allowed expenditures” and inserting “Subject to
14 paragraph (5)(C)(i), the allowed expenditures”.

15 (c) CONTINUED APPLICATION OF “PAY-AS-YOU-GO”
16 RULES.—Nothing in this section shall be construed as
17 waiving the application of the pay-as-you-go provisions of
18 section 252 of the Balanced Budget and Emergency Def-
19 icit Control Act of 1985 (Public Law 99–177).

1 **SEC. 3. STUDY AND REPORT BY MEDPAC ON REPLACING OR**
2 **MODIFYING THE SUSTAINABLE GROWTH**
3 **RATE AS A FACTOR IN DETERMINING THE UP-**
4 **DATE FOR PAYMENTS UNDER THE MEDICARE**
5 **PHYSICIAN FEE SCHEDULE.**

6 (a) STUDY.—The Medicare Payment Advisory Com-
7 mission shall conduct a study on replacing or modifying
8 the sustainable growth rate (as determined under sub-
9 section (f) of section 1848 of the Social Security Act (42
10 U.S.C. 1395w–4)) as a factor in determining the update
11 for payments under the Medicare physician fee schedule
12 under such section such that the factor used more fully
13 accounts for changes in the unit costs of providing physi-
14 cians' services.

15 (b) REPORT TO CONGRESS.—Not later than March
16 1, 2002, the Commission shall submit to Congress a report
17 on the study conducted under subsection (a) together with
18 such recommendations for legislation and administrative
19 action as the Commission determines appropriate.